

# SENATE BILL REPORT

## HB 1116

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As of March 15, 2007

**Title:** An act relating to creating a plan to increase the homeownership rate to seventy-five percent by 2020.

**Brief Description:** Creating a plan to increase the homeownership rate to seventy-five percent by 2020.

**Sponsors:** Representatives Miloscia, Pettigrew, Morrell, Ormsby, Green, B. Sullivan, Moeller, Dunn, Santos and Simpson.

**Brief History:** Passed House: 2/12/07, 65-31.

**Committee Activity:** Consumer Protection & Housing: 3/15/07.

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### SENATE COMMITTEE ON CONSUMER PROTECTION & HOUSING

**Staff:** Alison Mendiola (786-7483)

**Background:** Washington has one of the lowest home ownership rates in the nation, with the homeownership rate at 67 percent (2003 Census Statistical Abstract). The Washington State Housing Finance Commission (HFC) was created by the Legislature in 1983, however it is not a state agency. The HFC does not receive state funds, it does not lend state funds, and the state is not liable for any of the HFC's debt. The HFC acts as a financial conduit of federal funds and has the authority to issue bonds for the development of affordable housing and non-profit facilities. The HFC operates a variety of housing programs and has provided over 36,000 loans for homeownership since 1983. The HFC is required in statute to provide a downpayment assistance program to veterans and a housing finance program for income eligible first-time homebuyers. The HFC homeownership programs offer below-market-rate loans and down payment assistance, and also allow homebuyers to qualify for mortgages with higher loan ratios and pay less closing costs than under conventional loan programs. Although not required in statute, the HFC periodically develops supplemental programs to provide additional assistance to specific targeted populations including teachers, low-income rural residents, residents of a specific area, and disabled individuals.

**Summary of Bill:** The HFC will work with the Affordable Housing Board, the Department of Community, Trade and Economic Development and other housing stakeholders to create a strategic plan to increase the state homeownership rate to 75 percent by the year 2020.

The HFC must present the plan to the Legislature by December 31, 2007.

**Appropriation:** None.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: Washington falls behind most of the nation in homeownership rates. Developing a strategic plan with input from stakeholders will give people the opportunity to really study the issues preventing people from owning a home, while creating an opportunity to increase homeownership across the state.

**Persons Testifying:** PRO: Representative Miloscia, prime sponsor; Kim Herman, Washington State Housing Finance Commission.